KCSE 2023 CROSS-COUNTRY MOCKS

BUSINESS STUDIES

(MOCKS TRIALS 1-10)

Compilation of 10 Annual Joint Business Studies Mock Trials amongst our KCSE 2023 Candidates within the clustered pool of Selected Top Performing National Schools in the whole Republic of Kenya.

INCLUSIVE OF BOTH PAPER 1 & 2 EXAMS.

SERIES 1

For Marking Schemes

Mr Isaboke 0746-222-000 / 0742-999-000

MWALIMU CONSULTANCY

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 1

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

a) *Write your name and index number in the spaces provided above.*

b) *Sign and write the date of examination in spaces above.*

c) *Answer ALL the questions in the spaces provided.*

d) *Candidates should answer the questions in English*

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FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

Answer all the questions

1. Highlight four ways in which business studies may be of benefit to an individual**.** **(4 Marks)**

2. Outline four features of economic resources. **(4 Marks)**

3. Outline four challenges that a firm would experience as a result of expansion of the entire industry in which it is found**.** **(4 Marks)**

4. Outline four factors that affect business activities and which the business has control over. **(4 Marks)**

5. Identify four gaps that may create a business opportunity in a market**.** **(4 Marks)**

6. Highlight four merits of an open office layout to a business **(4 Marks)**

7. Outline four reasons why cash payment is preferred to cheque payment**.** **(4 Marks)**

8. Identify four types of insurance policies relevant to a supermarket owner. **(4 Marks)**

9. The following information relates to Kembe Traders as at 31st December 2008

Rate of stock turnover 3 times
Mark up 20%
Opening stock sh.160,000
Closing stock sh.200,000

Required : Determine

i) Gross profit

ii) Sales

10. Highlight **four** characteristics of a perfect competitive market. **(4 marks)**

11. The table below relates to four different businesses, insert the correct values for A, B, C and D. **(4marks)**

ASSETS	CAPITAL	LIABILITIES
2,310,642	A	486,932
B	40,385	96,483
941,682	31,685	C
3,104,611	D	395,348

12. The population of the youth in country X is likely to be 3/4 of the total population in ten years time. Highlight four challenges this country will face at this point in time. **(4 Marks)**

13. Highlight four factors that may cause the demand curve to shift to the **right** **(4 Marks)**

14. For each of the following transactions indicate the account to be debited or credited.

Transaction	A/C debited	A/C credited
a) Received discount from Top suppliers		
b) Allowed discount to Shujaa Traders		
c) Sold furniture to Owuor on credit		
d) Took stock worth sh.200 for personal use		

15. List four items that may affect the capital of a business **(4 Marks)**

16. State four ways in which advertising agencies assist in sales promotion**.** **(4 Marks)**

17. State **four** ways in which the Kenyan currency qualifies as good money**.** **(4 marks)**

18. State four advantages of using the internet as a means of communication**.** **(4 marks)**

19. Highlight four ways in which transport is important to a business**.** **(4 marks)**

20. State four circumstances under which a producer would sell his goods directly to the consumer. **(4 marks)**

21. In the spaces provided state the source document for each of the subsidiary books given below**.** **(4 marks)**

Subsidiary book	**Source document**
a) Sales Journal	
b) Purchases journal	
c) Returns inwards journal	
d) Returns outwards journal	

22. List four assumptions of the circular flow of income in a two sector closed economy**.** **(4 marks)**

23. Mention four small scale retailers with shops. **(4marks)**

24. The following balances were extracted from the books of Highway stores on 31st December 2015

Land and buildings	650000
Stock	470000
Bank overdraft	80000
Debtors	350000
Ten year loan	500000
Creditors	220,000
Cash	50000
Motor van	150000

Required :Prepare a balance sheet for Highway Stores as at **31st Dec. 2015.** **(4 marks)**

25. Chumo industries want to open a warehouse for her products. Give the management some advice on **four** factors it should consider in establishing the warehouse**.** **(4 Marks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 1

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

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Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

a) *This paper consists of* ***six*** *questions*
b) *Answer any* ***five*** *questions*
c) *All questions carry equal marks*
d) *Write your answers in spaces provided.*

For Examiner's Use Only

Question	Maximum score	Candidate's Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	TOTAL SCORE	

QUESTIONS

1. a) Highlight **four** ways in which the economic environment may positively influence the activities of a business. **(8 marks)**

(b) On 1st July 2021, Shujaa Traders had Shs.36,500 at bank and cash in hand Shs. 250. During the month the following transactions took place.

July 2 Cash sales Shs.42,630 paid directly to the bank.

July 3 Received a cheque for Shs.14,100 from Mkora in full settlement of a debt.

July 7 Credit sales Shs. 15,500 to Otonglo

July 8 Bought goods for Shs.26,240 on credit from Mali Mali Enterprises.

July 12 Cash sales Shs.42,450.

July 14 Paid Mwema by cheque Shs.23,750 in full settlement of his account after deducting 5% cash discount.

July 15 Paid wages Shs.24,000 in cash.

July 16 Withdrew Shs.36,000 from the bank for office use.

July 17 Cleared Mali Mali account of Shs. 26,240 in cash less 12.5% discount.

July 18 Otonglo cleared her account of Shs 15,500 in cash less 11.5% discount.

July 20 Cheque received from Mkora was dishonoured.

July 28 Paid salaries by cheque Shs.48,600.

July 30 All cash was banked except Shs.5,000.

Required: Prepare a three-column cash book. **(12 marks)**

2. a) Zeraki is launching a new Bookshop for schools in Kenya. If you are their marketing manager what five factors would you consider when choosing an appropriate media for promoting the bookshop. **(10 marks)**

b) Highlight five accounting documents used in home trade. **(10 marks)**

3. a) Explain five factors that influence entrepreneurial practices in Kenya. **(10 marks)**

b) With the aid of a well labelled diagram, show the effects of increase in supply on equilibrium price and quantity. **(10 marks)**

4. a) Nyalego is an importer of assorted goods from different countries. Explain five advantages he may enjoy while his goods are stored in a bonded warehouse. **(10 marks)**

b) The following information relates to Msafi traders.

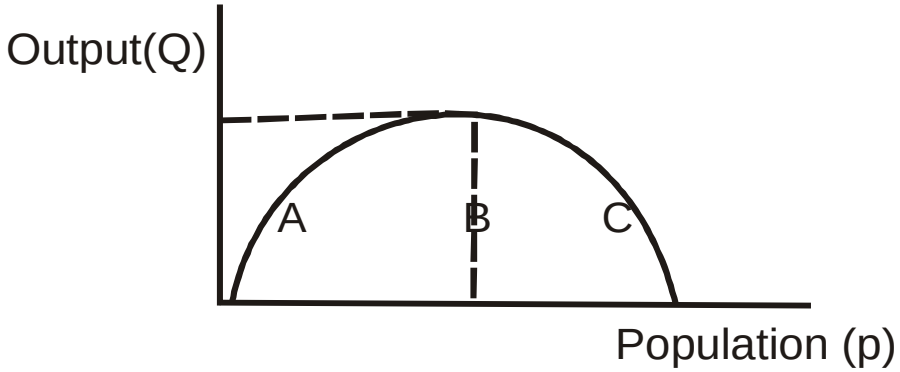
MSAFI TRADERS
TRIAL BALANCE
AS AT 31/12/2021

Details	Dr. (Shs.)	Cr. (Shs.)
Capital		200,000
Motor vehicle	10,000	
Machinery	16,000	
Stock (1/1/2021)	12,000	
Debtors	83,500	
Cash	68,000	
Bank	112,800	
Creditors		45,000
Sales		280,000
Purchases	120,000	
Carriage inwards	2,000	
Returns	1,200	1,000
Carriage on sales	4,000	
Discount	3,000	4,000
Salaries	2,000	
Rent		21,500
Insurance	10,000	
Electricity	17,000	
	551,500	**551,500**

Closing stock Shs.8,000.

Required: Prepare Trading and Profit and Loss Account. **(10 marks)**

5. a) The graph below represents population and output levels of three countries, A B and C



(i) State the type of population found in each country

Country B..... **(1 mark)**

Country C..... **(1 mark)**

(ii) Explain **four** challenges that country C may be facing **(8 marks)**

(b) Explain **five** circumstances under which an insurance contract may be terminated.

(10 marks)

6. a) Explain five activities that may be carried out in the process of distributing goods.

(10 marks)

(b) Outline five internal diseconomies of scale that a firm that grows in size is likely to encounter. **(10 marks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 2

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

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Kenya Certificate of Secondary Education.

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Marks															

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Marks											

QUESTIONS

1. State four elements that may comprise external environment to a business. **(4mks)**

2. Outline four differences between goods and services. **(4mks)**

3. Highlight four responsibilities of an effective a business accountant **(4marks)**

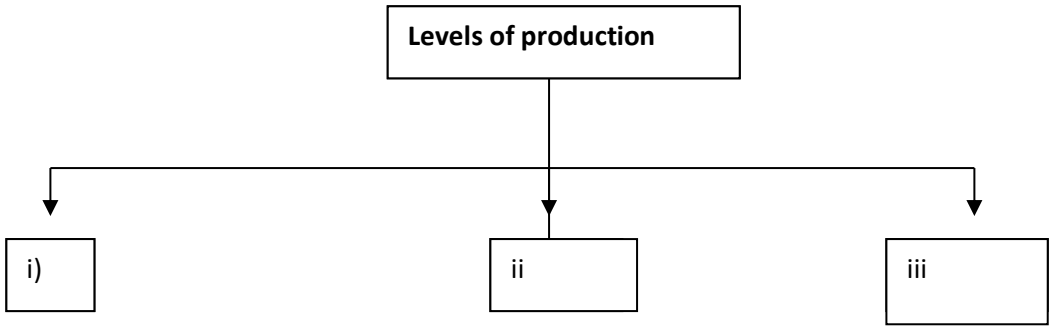
4. State four reasons why consumers have to make a choice between competing needs**.** **(4mks)**

5. The following are some policies issued under marine insurance, fleet policy, composite policy, voyage policy and time policy. Identify the policy that suits the description listed below. **(4mks)**

DESCRIPTION	**MARINE POLICY**
a) Covers a ship within a specified period of time	----------
b) Covers a ship on a particular journey	----------
c) Different insurers covers a ship for the same risks.	----------
d) Covers many vessels against losses under one policy.	----------

6. Highlight four reasons why the government requires businesses to obtain licences. **(4mks)**

7. Fill the levels of production in the diagram below. **(3mks)**



8. Give four disadvantages of government involvement in business activities. **(4mks)**

9. Give four measures that a government may take to reduce the mortality rate in a country.**(4mks)**

10. Highlight four services that a wholesaler may offer to a manufacturer. **(4mks)**

11. The following information was extracted from the books of Jupiter traders.

Rate of turnover 3 times

Mark-up 20%

Opening stock sh. 160,000

Closing stock sh. 200,000

REQUIRED

I) Gross **Profit** **(2mks)**

ii) Sales **(2mks)**

12. The conditions given below are for a monopoly firm or a firm operating under perfect competition. Write the correct market structure against each of the conditions in the spaces provided. **(4mks)**

CONDITIONS	MARKET STRUCTURE
a) Market structure determines price for the product.	
a) There is free entry and exit	
c) Product involved is homogeneous	
d) Market structure regulates supply of the product	

13. Outline four reasons that can lead to dissolution of a sole proprietorship**.** **(4mks)**

14. Bahari enterprises had capital balance of sh 525,000 on 1st July 2006 and sh. 80,000 on 30th June 2007. Drawings and net profit in the year ending 30th June 2007 were sh 225,000 and sh. 175,000 respectively. Determine the additional capital during the year. **(4mks)**

15. Highlight four functions of a proforma invoice. **(4mks)**

16. Identify the books of original entry used in recording each of the following transactions of Turkwel Traders. **(4mks)**

TRANSACTIONS	BOOKS OF ORIGINAL ENTRY
a) Sold goods on credit to Atieno for sh. 30,000	
b) Bought goods on credit from Chantal Traders for sh. 40,000	
c) Zuma returned goods worth. 8,000	
l) Turkwel returned goods worth sh 11,000 to Simba traders	

17. Highlight four benefits that would accrue to a firm located near other existing firms. **(4mks)**

18. Give four factors that limit the use of containers as a method of transporting goods in developing country.

19. Give four reasons why a business person may wish to keep money in a fixed deposit account instead of a savings account**.** **(4mks)**

20. The following information was obtained from the records of Jakayo traders as at 1st July 2022

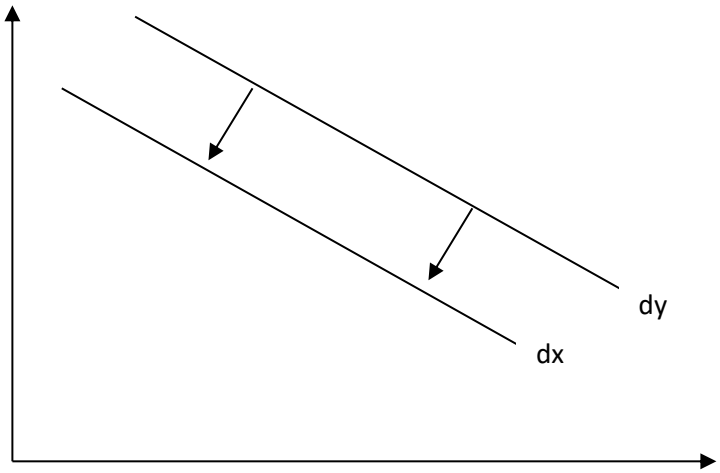
FURNITURE SH 20,000
Stock sh, 8,000
Creditor sh 7,000
Cash at Bank sh 12,000
Long term loan sh. 10,000
Prepare Jakoyo is Balance sheet as at 1st July 2022

21. Highlight four obstacles that could be ineffective communication between the principal and the students during an assembly**.** **(4mks)**

22. Give four factors that influence the level of National income. **(4mks)**

23. Give four benefits of expanding a businesses**.** **(4mks)**

24. The diagram belows a shift in demand for a certain commodity.



Highlight four factors that may have caused the shift from dy to dx

25. From the following information, prepare a three column cash book duly balanced. **(5mks)**

2014
May 1 : Balances brought forward; Bank sh. 2,000(Cr) Cash sh. 1,000
May 5: Received sh. 7,800 cash from Olive Traders after deduction of 2 ½% cash discount.
May 14 Deposited sh. 8, 800 from the cash till to the bank.
May 24: Paid wages for sh 800 by cheque.

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 2

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCTIONS:Answer any five questions

1. a) Explain **five** benefits of direct production. **(10marks)**

b) Explain **five** differences between private limited company and partnership forms of Business units. **(10marks)**

2. a) Discuss **five** factors that Nakuru county government may consider before spending county Funds**.** **(10marks)**

b) The following information relates to Maralal Traders for the month of May 2014.

May 1: Balance brought forward:
Cash Shs. 180,000
Bank Shs. 450,000 (Cr)
3: Received a cheque of 1,500,000 from Mpasha, a debtor
7: Cash sales Shs. 280,000
11: Jolloimat, a creditor of Shs.600, 000 was paid by cheque of sh 400,000 and the balance by cash.
14: Received commission in cash sh. 150,000
17: A debtor, Leteipa, paid his account of 185,000 by cheque less 2% cash discount.

19: Paid the following expenses by cheque:
Rent Shs. 75,000
Electricity Shs. 32,000
Water Shs. 25,000
21: Withdrew Shs. 100,000 from bank for personal use
24: Paid cash Shs 133,280 to Kinai after deducting a cash discount of 2%
25: Received a cheque of sh. 200,000 from Kiyapi, a debtor
28: Paid Salaries Shs. 120,000 by cheque.
31: Banked all cash except sh. 50,000.

REQUIRED:

Record the above transactions in a three column cash book. **(10mark**

3. a) Describe **five** types of unemployment**.** **(10marks)**

(b) Explain **five** internal factors that may encourage the achievement of business goals.**(10 marks)**

4 a) The following information was extracted from the books of Umeme

Traders as at 31st December 2009.

Item	Shs.
Bank loan	567,000
Bank loan interest	1,440
Capital	1,680,000
Closing stock	87,000
Creditors	272,400
Debtors	140,280
Discount allowed	170,400
Electricity	30,240
Furniture	489,804
Furniture repairs	86,436
Gross profit	624,720
Maintenance on premise	72,000
Motor vehicle	1,080,000
Motor vehicle maintenance	360,000
Premise	648,000
Rent received	144,000
Sundry expenses	122,520

Prepare;

(i) **Profit and loss account** for the year ended 31st December 2009

(ii) **Balance sheet** as at 31st December 2009. **(10 marks)**

(b) Explain any **five** challenges that an under populated country may experience.**(10 marks)**

5. (a) Explain **five** reasons why the government imposes taxes in the economy. **(10 marks)**

(b) Explain **five** ways in which the central bank controls the money supply in the country. **(10 marks)**

6. (a) Explain **five** measures that a wholesaler would take to ensure the smooth running of his warehouse. **(10marks)**

(b) Explain any **five** circumstances under which an increase in National income may not lead to improved standards of living. ***(10 marks)***

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 3

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

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Kenya Certificate of Secondary Education.

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Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

Answer All the Questions

1.Highlight **four** reasons why people engage in Business activities. **(4mks)**

2. Outline **four** types of resources that are important in Business. **(4mks)**

3. State **four** functions of an entrepreneur in the production of goods and services. **(4mks)**

4. Identify the machine used to perform the following tasks. **(4mks)**

Statements	**The machine**
a) To count coins and notes	
b) To trim paper into required sizes and shapes	
c) To fold documents, place them in envelope and seal the envelope	
d) To print postage impression on envelopes	

5. Outline **four** differences between chain stores and departmental stores. **(4mks)**

6. State **four** statistics that are associated with the measurement of National income. **(4mks)**

7. Prepare Sunshine Traders Balance sheet from the following list of balances extracted from his books as at31 December 2013. **(4mks)**

Capital	357,000
Stock	40,000
Machines	150,000
Furniture	7,000
Motor vehicles	200,000
Bank	20,000
Creditors	25,000
Cash	5,000
Debtors	60,000
Loan from KCB	100,000

8. Outline **four** characteristics of a good filing system **(4mks)**

9. Highlight **four** methods that Government uses to protect consumers. **(4mks)**

10. State **four** factors that a manager should bear in mind to ensure that he/she effectively communicates with the employees. **(4mks)**

11. State the meaning of the following principles of insurance . **(4mks)**

a) Subrogation----------

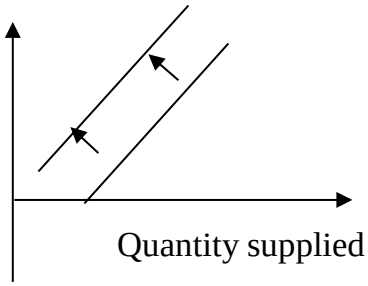
b) Contribution----------

c) Insurable interest----------

d) Indemnity----------

12.Highlight four characteristics of underdevelopment. **(4mks)**

13 Price



State **four** factors that may have caused the change shown in the diagram above. **(4mks)**

14. Highlight **four** causes of unemployment in Kenya. **(4mks)**

15. Outline **four** circumstances under which Mr Ondieki (a farmer) may distribute his products directly to his customers. **(4mks)**

16. Tripple SSS wholesalers had the following information as at 31 December 2013 **(4mks)**

Closing capital	70,000
Total expenses	5,000
Drawings of goods	6,000
Total incomes	3,000

Calculate the capital at the beginning of the year.

17. Highlight **four** advantages of localization of firms. **(4mks)**

18. State **four** characteristics of good money. **(4mks)**

19. Identify the day book associated with the following source documents given below. **(4mks)**

Source documents	**Day books**
Invoice received	
Credit note received	
Receipt issued	
Debit note received	

20 Highlight **four** purposes of public finance. **(4mks)**

21. The following balances were extracted from the books of Okinda wholesalers on 31st December 2006. **(4mks)**

	Sh
Capital	800,000
Sales	250,000
Debtors	70,000
Purchases	160,000
Creditors	45,000
Opening stock (1.1.2006)	40,000
Closing stock (31.12.2006)	20,000
General expenses	50,000
5 year bank loan	200,000
Insurance expenses	20,000
Salaries and wages	80,000

Required, calculate

i) Mark up **(1mk)**

ii) Current ratio **(1mk)**

iii) Rate of stock turnover **(1mk)**

iv) Rate on return on capital **(1mk)**

23. Highlight **four** uses of a proforma invoice. **(4mks)**

24. State **four** factors that affect the productivity of an office worker. **(4mks)**

25. In each of the following cases, state the type of inflation described **(4mks)**

a) The unrest in Libya has resulted to an increase in the price of oil	
b)The price of bread has gone upto sh.60 due to increase in the price of wheat	
c) A lot of money in circulation has led to the general increase of price	
d) Arise in price due to uneven growth in some sectors of the economy.	

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 3

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

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Kenya Certificate of Secondary Education.

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Questions	Maximum Score	Candidates Score
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	TOTAL SCORE	

QUESTIONS

1. a) Explain **five** benefits that would accrue to Country as a result of delocalization. **(10mks)**

b) Explain **five** features of a perfect competition market structure **(10mks)**

2. a) The following transactions relate to Vivylex wholesalers for the month of December 1998.

1 Bought goods on credit from Weka Distributors sh.46,200, Micko sh15,600 and Limo shs38,360.

3 Sold goods on credit to Lwanda Retailers shs.39,200, Motor Grocers sh.25,560 and Mawe shs.12,650.

7 Returned goods to Micko sh4,200 and Limo shs6,140.

11 Bought goods on credit from Tuktuk sh34,830.

12 Goods returned by motor Grocers hs4,550 and Lwanda Retailers sh1,280.

15 Sold goods on credit to Motor Grocers shs6,800, Marion traders shs12,800.

18 Goods returned by Marion Traders shs2,060.

22 Bought goods on credit from Fatuma shs22,100, Temo shs38,350.

28 Credit sales to Ngula shs16,060, Oyunga shs12,960 and Mawe shs15,260.

Enter the above transaction in the respective books of original entry **(10mks)**

b) Discuss **five** factors that enhances efficient running of a warehouse. **(10mks)**

3. a) Explain **five** negative effects of inflation to a country's economic development**.(10mks)**

b) Highlight **five** importance of entrepreneurship to the economy of a country. **(10mks)**

4. a) Explain **five** factors that can lead to unfavourable balance of payment. **(10mks)**

b) Explain **five** factors to be considered when choosing a method of product promotion **(10mks)**

5. a) Describe **five** procedure to be followed when taking an insurance policy**.** **(10mks)**

b) Explain **five** limitations of containerization in transport sector. **(10mks)**

6. a) Highlight **five** benefits that a country will enjoy as a result of indirect production **(10mks)**

b) The following trial balance was extracted from the books of Mugoya Traders as at 30th June, 2014

Mugoya Traders
Trial balance
As at 30th June 2014

Details	**Dr** (shs)	**Cr** (shs)
Premises	1,500,000	
Debtors and creditors	20,000	30,000
Cash at bank	90,000	
Cash in hand	10,000	
Purchases and sales	140,000	320,000
Stock of good on 1st July 2013	45,000	
Discounts	6,000	2,000
Salaries and wages	50,000	
Commissions		8,000
Power and lighting	12,000	
Returns	15,000	19,000
Carriage outwards	2,300	
Carriage inwards	5,400	
Capital		1,543,700
Furniture	27,000	
	1,922,700	**1,922,700**

Additional information

Stock of goods on 30th June, 2014 was worth sh22, 000.

Required: prepare trading, profit and loss account for the period ended 30th June, 2014. **(10mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 4

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

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Answer ALL the questions

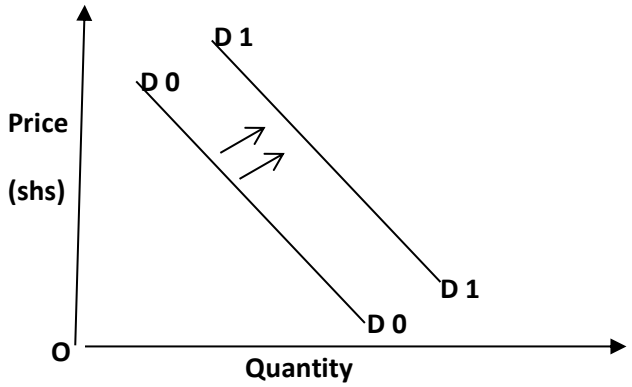
1. Onazi Secondary School will wish to change from an enclosed office to an open office. Highlight **four** advantages that will accrue from this. **(4mks)**

2. Motor cycles have recently become a very popular mode of transport in Kenya. List **four** benefits a commuters enjoy by using them. **(4mks)**

3. Outline **four** factors that may make it necessary for insurance company to reinsure. **(4mks)**

4. The following diagram shows a shift in demand curve. Outline **four** reasons that can lead to this shift.

(4mks)



5. Kenya has a few oligopoly firms. Highlight **four** sources of oligopoly powers to these firms. **(4mks)**

6. Highlight **four** ways in which capital of a business may change **(4mks)**

7. For each of the following transactions, indicate with tick **(√)** in the spaces provided whether it will increase, decrease or have no effect on the balance sheet totals. **(4mks)**

Transaction	**Increase**	**Decrease**	**No effect**
a) Investing more cash in business			
b)Paying creditors in cash			
c)Buying a piece of furniture in cash			
d)Paying a creditor using money from private source			

8. Below are some entries in the cash book of Romeo Traders for the month of July 2021.

Cash Book

Dr **Cr**

Date(2021)	Details	Cash (shs)	Bank(shs)	Date (2021)	Details	Cash (Shs)	Bank (Shs)
July: 1	Bal b/f	15,000		July: 1	Bal.b/f		100,000
6	cash		20,000	6	bank	20,000	
20	sales		15,000	15	wages	5,000	
28	Debtors	20,000		29	stock		10,000
				31	Bal c/f	19,000	

State the meaning of the following entries. **(4mks)**

a) July 1, bal b/f bank column shs.100,000

b) July 6, cash shs. 20,000 and Bank shs. 20,000

c) July, 28 debtors shs. 20,000

d) July 31 2010, balance c/f shs. 10,000

9. Highlight **four** roles of an entrepreneur to the economy of a country. **(4mks)**

10. Identify the source documents used to enter the following journals. **(4mks)**

Journal	Source document
(i)Purchase journal	(i)
(ii)Returns outwards journal	(ii)
(iii) Sales journal	(iii)
(iv)Cash receipt journal	(iv)

11. State **four** ways in which consumers are likely to suffer when there is no warehousing. **(4mks)**

12. Highlight **four** disadvantages of concentrating many firms in Nairobi town. **(4mks)**

13. Oscar imports goods from South Africa to Kenya. State **four** conditions that would determine the choice of his distribution channel **(4mks)**

14. State **four** ways in which Kenya as a country can conserve her economic resources. **(4mks)**

15. Outline **four** ways in which the legal political environment can influence the activities of a business. **(4mks)**

16. For each of the following descriptions, identify the corresponding method of product promotion. **(4mks)**

DESCRIPTION	METHOD OF PROMOTION
Free promotion of a product	
Strategies to increase sales at the point of promotion.	
Impersonal presentation of a product through the mass media	
Ment to improve the reputation of a firm	

17. Outline **four** factors that influence the amount of money held by an individual for precautionary motive. **(4mks)**

18. The following balances relates to the business of Super loaf traders during the period ended 30th June 2021.

	Shs.
Rent received	12,000
Salaries and wages	48,000
Gross profit	120,000
Discounts received	7,500
Insurance	12,500
Carriage on sales	15,000
Discounts allowed	6,000

Prepare the business's Profit & loss a/c for the period ended 30th June 2021.

19. The following transaction was extracted from books of Kuria business on 31st March 2004.

Stock (01/04/05)	8,000
Stock (31/03/06)	9,000
Purchases	4,500
Sales	21,000

Calculate:

(i) Margin **(2mks)**

(ii) Rate of stock turn over. **(2mks)**

20. Highlight **four** factors that must be considered before spending public funds. **(4mks)**

21. Outline **four** circumstances under which a firm may be located near the source of its raw materials. **(4mks)**

22. Highlight **four** circumstances under which face – to face communication would be preferred to written communication in a firm. **(4mks)**

23. State **four** ways how consumers can protect themselves against malpractices by private business people. **(4mks)**

24. Highlight **four** problems associated with the measurement of national income using the output approach. **(4mks)**

25. The aggressive campaign for citizens to plan their families seems to be causing a decline in the country's population growth. Outline four possible effects of this. **(4mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 4

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

a) *This paper consists of* ***six*** *questions*
b) *Answer any* ***five*** *questions*
c) *All questions carry equal marks*
d) *Write your answers in spaces provided.*

FOR EXAMINER'S USE ONLY

QUESTION	MAXIMUM SCORE	CANDIDATE'S SCORE
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	TOTAL SCORE	

1. (a) Explain five benefits that could accrue to a customer who buys goods from a departmental store. **(10mks)**

(b) Explain five roles played by licensing as a government regulatory tool. **(10mks)**

2. (a) Explain five services that the central bank of Kenya offers to commercial banks.**(10mks)**

(b) The following information relates to the business of Kipisigs Traders for the week ended 29th Feb 2016.

Feb 24th Started business with shs 24,000 in thebank.
Feb 25 th Bought goods worth shs 18,000 by cheque.
Feb 26 th Sold goods for cash shs 18,900
Feb 28 th Cash sales worth Kshs 5,625
Feb 29 th Paid commission Kshs 900 in cash.

Required;Prepared ledger accounts and balance them off. **(10mks)**

3. (a) Describe five channels followed in exporting agricultural product. **(10mks)**

(b) he following trial balance was extracted from Milka traders on 31st Dec 2020.

	Dr	Cr
	Sh	Sh
Capital		250,000
Stock	25000	
Machinery	250,000	
Motor vehicle	87000	
Purchase	360,000	
Sales		600,000
Returns inwards	40,000	
Returns outwards		20,000
Discount received		5,000
Carriage inwards	2000	
Carriage outwards	3000	
Bad debts (written off)	80,000	
General expenses	88,000	
Debtors	18,000	
Creditors		49,000
Rent	1000	
	954.000	954.000

Additional information;
Closing stock was sh.
22000

Prepare Milka traders Trading, profit and loss account for the year ending 31/12/2020. **(10mks)**

4. (a) Explain five reasons why a country imposes taxes on her citizens. **(10mks)**

(b)Outline five differences between a public limited company and a cooperative society.**(10mks)**

5. (a) Using a diagram illustrate the effects of a positive shift of a demand curve on the equilibrium point, price and quantity **(10mks)**

(b) Explain five features of land as a factor of production. **(10mks)**

6. (a) Momanyi Enterprises have decided to construct their own warehouse. Explain five benefits they are likely to derive. **(10mks)**

(b) Explain five importance of filing documents in an organization **(10mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 5

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

a) *Write your name and index number in the spaces provided above.*

b) *Sign and write the date of examination in spaces above.*

c) *Answer ALL the questions in the spaces provided.*

d) *Candidates should answer the questions in English*

.

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

Answer all questions

1. Highlight **four** difficulties faced by a consumer in the satisfaction of human wants. **(4 marks)**

2. State **four** contents of a business plan. **(4 marks)**

3. Outline **four** attributes of a good office worker. **(4 marks)**

4. Highlight **four** circumstances under which a debit note may be issued by the seller. **(4 marks)**

5. The cost of consumer goods in a basket of an average family is given below.

Year	2016	2017
	Ksh	Ksh
Maize flour	90	110
Sugar	100	115
Rice	80	90

Determine the consumer price index using 2016 as the base year. **(4 marks)**

6. Highlight **four** factors that determine the fertility rate in a given economy**.** **(4 marks)**

7. With an aid of a well labeled diagram, illustrate the circular flow of income in a two sector economy.

(4 marks)

8. The following information relates to four businesses A, B, C and D. Fill in the missing figures.

(4 marks)

Business	**Assets Shs**	**Capital Shs**	**Liabilities Shs**
A	4,010,000	3,210,000	***a).***
B	***b).***	9,312,000	211,100
C	1,301,111	***c).***	412,113
D	13, 917,331	11,716,000	***d).***

9. State **four** reasons that may lead to dissolution of a parastatal**.** **(4 marks)**

10. Give **four** importance of a warehouse to a trader. **(4 marks)**

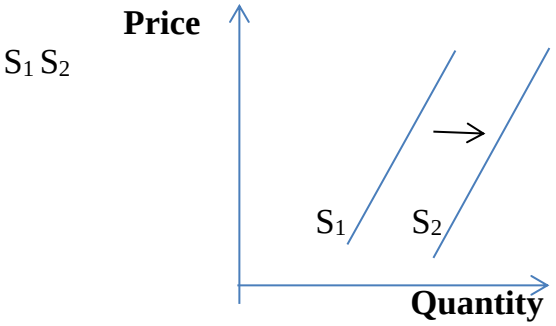
11. Outline **four** benefits of the standard gauge railway (SGR) to the Kenyan economy. **(4 marks)**

12. Outline the steps that are followed in the personal selling process. **(4 marks)**

13. Highlight **four** channels that a fish farmer may use to distribute her produce in a local Market. **(4 marks)**

14. State **four** characteristics of a market. **(4 marks)**

15. Highlight **four** factors which may have led to a shift in the supply curve as illustrated below. **(4 marks)**



16. State **four** items of information one can obtain from an insurance policy. **(4 marks)**

17. Outline **four** advantages of using written communication in an organization. **(4 marks)**

18. Record the following transactions that took place in Otiende traders from 21st august to 24th August 2018 in the general journal. **(4 marks)**

2018

21st Aug: Bought furniture from Lowoi furniture mart at Sh 60,000 on credit

22nd Aug: Sold an old machinery on credit to Muchina at Sh. 90,000

23rd Aug: Bought a lawn mower from Farm Machines on credit Sh. 80,000

24th Aug: Purchased a water tank worth Sh. 140,000 on credit from Kentank ltd

19. Munyao an entrepreneur intends to start a business. Give **four** factors that he needs to consider when deciding on which goods to produce. **(4 marks)**

20. For each of the transactions given below indicate the accounts to be debited and the account to be credited. **(4 marks)**

Transactions	**A/c to Debit**	**A/c to Credit**
a). Started business with Shs. 400,000 in cash		
b). Returned goods worth Shs. 21,000 to Nyayo traders		
c). Banked Shs. 80,000 from cash till		
d). Proprietor took goods from the business for family use		

21. The following information was extracted from the books of Kisima wholesalers on 31st December, 2018.

(i) Opening stock sh. 300,000

(ii) Purchases sh. 1,550,000

(iii) Closing stock sh. 220,000
(iv) Margin 1/6
Required : Draw Kisima wholesalers trading account. **(4 marks)**

22. Outline four sources of non-tax revenue to a County Government. **(4 marks)**

23. State the business environment described in the statements given below. **(4 marks)**

Description	**Business Environment**
a).Formal arrangement of activities that are carried out at various levels of the organization so that its objectives can be Achieved.	
b). Factors that affect buyers ability to buy the goods and Services offered by a business.	
c). Norms that regulate behaviors of people in a society.	
d). a combination of employees' expectations, beliefs and Values within the business.	

24. State the ledgers in which each of the following accounts are kept. **(4 marks)**

Ledgers

a). Rent Account ……

b). Discount received Account ……

c). Cash Account ……

d). Creditors Account ……

25. Highlight **four** features of a fixed deposit account offered by commercial banks. **(4 marks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 5

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCTIONS FOR CANDIDATES:

a) *This paper consists of* ***six*** *questions*

b) *Answer any* ***five*** *questions.*

c) *Write your answers in the answer booklet provided.*

d) *All questions carry equal marks.*

FOR EXAMINERS USE ONLY

	1	2	3	4	5	6
a)						
b)						

TOTAL SCORE

QUESTIONS

1. a) Explain **five** ways in which division of labour is useful to a firm. **(10 marks)**

b) Explain **five** negative effects of a youthful population in a country **(10 marks)**

2. a) Explain **four** insurance policies you would advise a hospital chief executive officer to insure against. **(8 marks)**

b) The following balances were extracted from the books of Isaboke Traders for the year ended **31/12/2022.**

Item	**Kshs.**	
Discount received	9,500	
General expenses	97,000	
Rent	48,000	
Lighting	6,300	
Motor vehicle	2,100,000	
Gross profit	326,000	
Salaries	75,000	
Commission received	12,470	
Cash	50,000	
Debtors	278,000	
Discount allowed	4,600	
Water		9,200
Stock		95,000
Furniture and Equipment	600,000	
Bank	200,000	
Capital	3,200,000	
Creditors	14,330	

Required; Prepare

(i) Profit and loss account for the year ended 31/12/2022 **(6 marks)**

(ii) Balance sheet as at 31/12/2022 **(4 marks)**

(iii) Calculate (a) Working capital **(1 mark)**

(b) Capital employed **(1 mark)**

3. a) Explain **five** reasons why consumers need protection against traders malpractices **(10 marks)**

b) Explain **five** banking services offered by the Central Bank to the Government **(10 mks)**

4.a) Give **five** differences between perfect competition and monopoly market structures. **(10 marks)**

b) Explain **five** guidelines county governments need to follow before spending public funds. **(10 marks)**

5.a) Explain **five** circumstances under which a customer may prefer to buy goods on credit terms rather than on hire purchase **(10 marks)**

b) The following transactions took place in the business of Mokaya enterprise in the month of July 2022

July 1: Started business with sh. 150,000 in bank and ksh, 30,000 in cash
July 3: Purchased goods valued at sh. 34,000 from Kioko on credit
July 8: Paid rent sh. 13,000 by cheque
July 10: Purchased office equipment valued at Ksh. 45,000 from Daima stores and paid by cheque.
July 12: Sold goods in cash Ksh. 15,000
July 15: Paid Chemtai Ksh. 24,000 by cheque

Required: Use the above information to;

(i) Prepare the relevant ledger accounts and balance them off as at 15th July 2022 **(6 marks)**

(ii) Extract a trial balance **(4 marks)**

6.a) Explain **five** benefits that may be realized by a country as a result of government policy to relocate industries to rural areas. **(10 marks)**

b) On 1st of April 2022, Machofi Traders had the following balances:

- Bank 15,000(Cr)
- Cash 25,000(Dr)

The following transactions took place during the month of April 2022.

April:

3rd: Paid wages in cash sh. 15,000
5th: Bought goods worth sh. 750
6th: Received cheques from the following debtors after allowing a 2% discount in each case. Rioki sh. 980, Kombo sh. 1,960
8th: Chebe paid a cheque for sh. 1,000
11th: Bought machinery by cheque for sh. 5,000
13th: Cash sales paid directly to the Bank sh. 4,000
15th: Withdrew cash sh. 1,000 for private use
20th: Cash sales sh. 20,000
21st: Banked cash amount sh. 1,000
24th: A cheque recorded from Chebe on 8th of April was dishonoured
27th: Received sh. 3,000 from Kiko a debtor
30th: Bank all the available cash except sh. 1,000

Prepare Machofi Traders Three column cash book for the month of April, 2022 **(10 marks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 6

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

a) *Write your name and index number in the spaces provided above.*

b) *Sign and write the date of examination in spaces above.*

c) *Answer ALL the questions in the spaces provided.*

d) *Candidates should answer the questions in English*

.

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

Answer ALL the questions.

1. Highlight **four** advantages of using modern technology in production. **(4 marks)**

2. State **four** types of complaints that a consumer organization may receive from consumers. **(4 marks)**

3. Outline **four** features of parastatals. **(4 marks)**

4. State **four** reasons why ethical practice is necessary in product promotion. **(4 marks)**

5. Outline **four** advantages of hire purchase to the buyer. **(4 marks)**

6. State the ledger in which of the following accounts are kept. **(4 marks)**

	Account	**Ledger**
	Rent a/c	
	Cash a/c	
	Debtors a/c	
	Creditors a/c	

7. Outline **four** factors that may make a producer to by-pass a wholesaler when distributing goods. **(4 marks)**

8. Country X is experiencing unfavorable terms of trade.

State **four** factors that are likely lead to such a situation. **(4 marks)**

9. The following are some of the source documents used in accounting: credit note issued, cash sale receipt, credit note received and invoice issued. Match each of the following books of original entry with the relevant source document. **(4 marks)**

	Book of original entry	**Source document**
	Sales returns book	
	Sales daily book	
	Purchases return book	
	Cash book	

10. State **four** reasons why flower exporters would transport their produce by air rather than by sea. **(4 marks)**

11. Outline **four** circumstances that may necessitate re-insurance. **(4 marks)**

12. The following balances were extracted from the books of Saku traders on 31st march 2010.

Fixed assets	300,000
Current assets	123, 700
Creditors	84,500
5 year loan	125,000

Determine the net worth of the business as at 31st march 2010 . **(4 marks)**

13. State **four** problems associated with development planning. **(4 marks)**

14. Outline **four** demerits of indirect tax. **(4 marks)**

15. List **four** factors that may limit entrepreneurs in an area. **(4 marks)**

16. Outline **four** challenges that may be encountered when measuring national income using the output approach. **(4 marks)**

17. The table below represents the demand schedule for tea leaves in 6 months in 2015.

Months	1	2	3	4	5	6
Quantity (kgs)	200	400	600	800	1000	1200

Outline **four** causes of the trend in the table. **(4 marks)**

18. State **four** basic features of a market. **(4 marks)**

19. Sate **four** external factors that may negatively influence the operation of a business**.(4 marks)**

20. Highlight **four** negative effects of inflation. **(4 marks)**

21. Outline **four** benefits to a business that uses its own warehouse. **(4 marks)**

22. **The** following balances were extracted from the books of Wekesa Traders on 31st December 2009.

Item	**Sh**
Capital	500,000
Cash in Hand	20,000
Building	200,000
Furniture	25,000
Motor vehicle	400,000
Creditors	18,000
Debtors	36,000
Bank	100,000
Bank loan	263,000

Using the above information prepare Wekesa traders trial balance as at 31st December 2009 . **(4 marks)**

23. Outline **four** reasons why hypermarkets are becoming increasingly popular in Kenya. **(4 marks)**

24. The table below shows the age distribution of a country.

Age in Years	**% population**
0 – 15	45
16 – 55	31
56 and above	24

Highlight **four** negative economic implication of this age distribution to the country.**(4 marks)**

25. Outline **four** measures that a manager can take to improve the working environment in an office.

(4 marks)

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 6

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

1. *Write your name, school and index number in the spaces provided above.*

2. *Write the date of examination and sign in the spaces provided above.*

3. *This paper consists of **6** questions.*

4. *Answer **any five** questions.*

FOR EXAMINER'S USE ONLY

QUESTION	MAXIMUM SCORE	CANDIDATE'S SCORE
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total score	

*Answer **any five** questions*

1. a) Discuss **five** causes of unemployment in Kenya today. **(10 marks)**

b) Explain **five** roles of transport to the economy of a country. **(10 marks)**

2. a) Discus **five** roles of public finance. **(10 marks)**

b) Explain **five** barriers to effective communication. **(10 marks)**

3. a) Highlight **four** problems likely to be faced by consumers when a firm operates as a Monopoly. **(8 marks)**

b) The following trial balance was extracted from the books of Tumaini Traders as at 30th June 2015.

DETAILS	DR	CR
Stock on 1st July 2014	180,000	
Debtors and creditors	195,000	120,000
Discounts	75,000	96,000
Sales and purchases	1,200,000	1,740,000
Premises	1,630,000	
Carriage outwards	24,000	
Returns	60,000	150,000
Fixture and fittings	300,000	
Carriage inwards	100,000	
Machinery	600,000	
Commissions	48,000	42,000
Capital		2,454,000
Wages & salaries	90,000	
Cash in Bank	420,000	
Rent income		110, 000
	4,712,000	4,712,000

Additional information

Closing stock was valued at sh 210,000.

Required

i) Prepare a trading, profit and loss account for the year ended 30th June 2015.**(8 marks)**

ii) Prepare Tumaini Trades balance sheet as at 31st June 2015. **(4 marks)**

4. a) Explain **five** ways in which the nature of a commodity may influence its distribution. **(10 marks)**

b) Outline **five** differences between a public limited company and partnership form of a business. **(10 marks)**

5. a) Explain **five** reasons for continued existence of small firms alongside large firms.
(10 marks)

b) Explain **five** benefits enjoyed by a firm that has expanded its scale operations.
(10 marks)

6. a) Explain **five** instruments of monetary policy a central bank may use to reduce money supply in a country. **(10 marks)**

b) On January 2005 Njeri traders had the following transactions.

2005

January 1: Started business with capital sh.80,000 cash and sh.200,000 at the bank

2: Bought furniture by cheque sh.20,000

3: Bought goods by cheque sh.70,000

8: Received cash from Chemai sh.19,000 having allowed him a cash discount of sh.1,000

9: Paid the following accounts by cheque:-

Muthoni sh.30,000, Salim sh.15,000 and Kiptoo sh.26,000 having deducted 10% discount in each case

12: Cash sales sh.14,000, paid for postage in cash sh.2,000

16: Received a cheque of sh.27,500 from Ngondi in full settlements of his account of sh.30,000

20: Received cheque of the following amounts from: Adijah sh.18,000, Adongo sh.28,800 and Maranga sh.12,600. The business had allowed each of them a discount of 10%

Required:

Prepare a three column cashbook and balance it off. **(10 marks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 7

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

a) *Write your name and index number in the spaces provided above.*

b) *Sign and write the date of examination in spaces above.*

c) *Answer ALL the questions in the spaces provided.*

d) *Candidates should answer the questions in English*

.

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

QUESTIONS

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

Answer ALL the questions

1. State four characteristics of human wants **(4mks)**

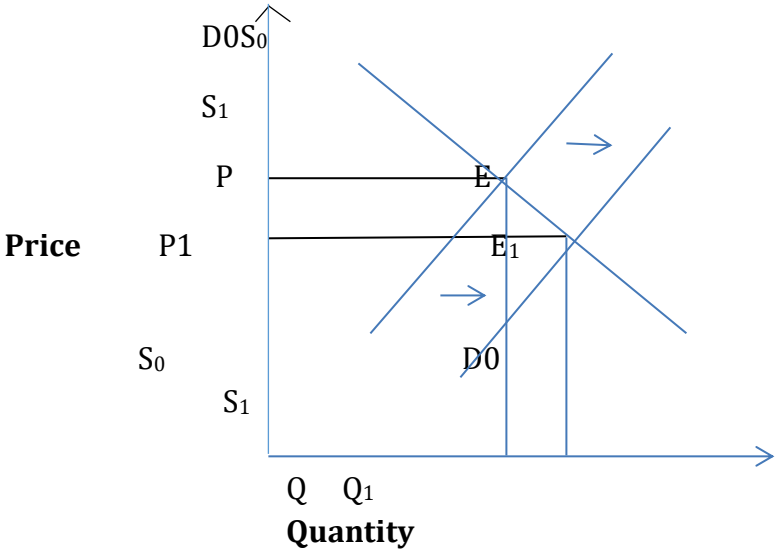
2. Outline four ways in which utility of a good is created in production **(4mks)**

3. State four benefits that a farmer may derive from being a member of producer co-operative **society** **(4mks)**

4. Highlight four ways in which consumers may protect themselves against exploitation **(4mks)**

5. Highlight four factors a firm must take into account when deciding on the product(s) to produce **(4 mks)**

6. Below is a diagram of demand and supply curve



Highlight four factors that may have led to the above behavior **(4mks)**

7. Mention four characteristics of good money **(4mks)**

8. State four ways in which human resource can positively influence the internal environment of a business **(4mks)**

9. State four benefits that Kenya will derive from the completion of Standard gauge railway (SGR) **(4mks)**

10. State four characteristics of a successful entrepreneur **(4mks)**

11. Name four documents required by the registrar of companies in order to register a Public Limited Company **(4mks)**

12. State four circumstances under which cash with order (CWO) may be used by a business **(4mks)**

13. Outline four challenges that may be encountered in measuring National income using the output approach **(4mks)**

14. Highlight four factors to be considered when choosing a method of product promotion **(4mks)**

15. Identify the source documents into which the following information would be recorded **(4mks)**

Information	Source document
i. Payment received from debtors	
ii. Purchases made on credit	
iii. Validating payments made by cashier	
iv. Sale of a fixed asset on credit	

16. For each of the transaction state the account to be debited and the account to be credited **(4mks)**

Transaction	Account debited A/C credited
Deposited cash into the bank	
Owner withdrew cash for personal use	
Purchased goods on credit	
Sold furniture by cheque	

17. The following information was obtained from Wamwangi traders as at 31st December 2018

	Shs
Stock 1/1/2018	20000
Stock 31/12/2018	30000
Mark up	20%
Rate of stock turn over	7 times

Required

Prepare Wamwangi's trading account for the year ended 31/12/2018 **(4mks)**

18. Muriuki prepared a trial balance for his business but it failed to balance. Help him prepare a correct one **(4mks)**

MURIUKI TRIAL BALANCE AS AT 31ST DEC 2017

Fixed Assets		Liabilities	
Land	110,000	Debtors	80,000
Creditors	60,000	Machinery	90,000
Capitals	230,000	Prepaid rent	10,000
	400,000		180,000

19. State the kind of information recorded in the following ledger accounts

i. Sales Ledger

ii. Private Ledger

iii. Nominal Ledger

iv. Cash book

20. State four components of a Business plan **(4mks)**

21. State four roles of Insurance Industry in Kenya **(4mks)**

22. Outline four measure used by the Central Bank to control supply of money in the economy **(4mks)**

23. Highlight four features of perfect competition market **(4mks)**

24. Mention the four elements of transport . **(4mks)**

25. State the type of unemployment described below **(4mks)**

i. Experienced where demand for goods and services is seasonal

ii. Occurs when a person seems to be employed but is mainly under utilized

iii. Occurs when jobs are available but one does not have the required qualifications

iv. Caused by Economic factors leading to poor performance of the Economy

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 7

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

INSTRUCTIONS FOR CANDIDATES:

a) *This paper consists of **six** questions*

b) *Answer any **five** questions.*

c) *Write your answers in the answer booklet provided.*

d) *All questions carry equal marks.*

FOR EXAMINERS USE ONLY

	1	2	3	4	5	6
a)						
b)						

QUESTIONS

1.a]Explain five characteristics of economic resources. **[10 mks]**

b]Explain five merits of using audio visual means of communication**.** **[10 mks]**

2. a]Explain five circumstances under which a partnership may be dissolved. **[10 mks]**

b]The following balances were extracted from the books of Kasuku traders on 30th June 2018.

Furniture	18,000	Debtors	40,000
Motal van	40,000	Creditors	50,000
Capital	75,000	Cash	4,000
C.F.C Loan	50,000	Bank	19,000
Stock	54,000.		

The following transactions took place in the month of July 2018.

July 10 Kasuku traders received ksh. 15,000 from a debtor by cheque.

July 15 Bought more furniture worth ksh. 2,500 and paid in cash.

July 20 Took goods worth 14,000 for home use.

Required.Prepare a balance sheet as at 30th July 2018**.** **[10 mks]**

3. a]Describe five principles that guide insurance businesses in Kenya**.** **[10 mks]**

b]The following information relates to Rose holdings for May 2015.

May 1.Sold goods to Garry at ksh. 660.

May 5.Bought goods from K.N.T.C for ksh. 7500.

May 10 Bought three office machines at ksh 2,500 each on credit from Fine elecronics.

May 15 Goods worth ksh.1,850 were sold to Jack on credit.

May 18 She sold old furniture on credit to Twiga motols at KSH. 1,500 whose book value was ksh.1000.

Required.Record the above transactions in appropriate journals. **[10 mks]**

4. a]Explain five features of monopolistic competition. **[10 mks]**

b]Outline five differences between public and private warehouses. **[10 mks]**

5 .a]Explain five documents used in home trade that are prepared by the buyer**.** **[10 mks]**

b]Explain five ways in which the central bank of Kenya controls the operations of commercial banks. **[10mks]**

6.a]The following transactions were extracted from the books of Furaha retailers.

April 1.Balance brought forward cash ksh 1,900 cash at bank ksh. 6500.

April 3.Sold goods in cash ksh. 1,200.

April 5. Paid transport by cheque ksh. 2,050.

April 7.Bought goods worth ksh.2,500 in cash less 5% cash discount.

Apri l 10.Paid postage charges by cheque ksh.3,000.

April 12.Furaha deposited ksh.600 from cash till to the business bank account.

April 13.Bought goods ksh .8400 by cheque.

April 15. Sold some old furniture for ksh 3,900 and received the money by cash.

April 17.Brought a table to be used in the business whose value was ksh.1,800.

April 18.Paid electricity bill by cheque ksh.2,100.

April 20.Sold goods goods against a cheque for ksh.6,600 whose value was ksh.6,850.

April 21.Took cash ksh 400 for family use..

April 26.Sold goods on credit to Kamani valued at ksh 4,500.

April 28.Received cash ksh.1,500 from Bidii stores.

April 30.Deposited all cash with the bank exceptksh.3,525.

Required to prepare a three column cash book duly balanced**.** **[10 mks]**

b]Draw a well labeled diagram to show the effect of increase in demand and increase in supply on equilibrium point, equilibrium price and equilibrium quantity. **[10mks]**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 8

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

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a) *Write your name and index number in the spaces provided above.*

b) *Sign and write the date of examination in spaces above.*

c) *Answer ALL the questions in the spaces provided.*

d) *Candidates should answer the questions in English*

.

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

QUESTIONS

1. Outline four benefits of entrepreneurship in a country**.** **(4mks)**

2. Name any four occupations that are found at the extractive level of production. **(4mks)**

3. The table below describes goods produced in a country. Name the goods described below; **(4mks)**

Description of goods	**Classification**
i) Goods used to produce other goods	
ii) Goods for final use by the consumers	
iii) Goods offered freely by the state	
iv) Goods still in the production process	

4. State four benefits of SACCOs to members. **(4mks)**

5. Highlight four features of a parastatal**.** **(4mks)**

6. State the principle of insurance described in the statements given below. **(4mks)**

a) Restoring the insured's financial position after suffering loss from an insured risk

b) Existence of a very close relationship between the losses suffered and insured risk.

c) The insurer taking ownership of the remains of the remains of the destroyed property after the insured is duly compensated

d) Proof that the insured will suffer direct financial loss if the property is destroyed

7. Give four measures that the government may take to create employment for the youth. **(4mks)**

8. Outline four channels of distribution that a local farmer may use to distribute her farm produce locally**.** **(4mks)**

9. The following is a format of the credit side of a three column cash book

Date	(a)	(b)	(c)	(d)

Name the columns labeled **a, b, c** and **d** **(4mks)**

10. Give four assumptions associated with the circular flow of income in a two sector economy. **(4mks)**

11. State four challenges that a business without a plan will encounter in its operations. **(4mks)**

12. Outline four circumstances under which gaps in the market may be identified**.** **(4mks)**

13. Outline any four trends in product promotion. **(4mks)**

14. Highlight four functions of commercial attaches. **(4mks)**

15. State four types of internal economies of scale to a fir**m.** **(4mks)**

16. Outline four reasons why an organization needs to file its documents**.** **(4mks)**

17. For each of the following source documents, name the relevant book of original entry **(4mk)**

Source document Book of original entry

a) Invoice issued

b) Credit note received

c) Cheque received

d) Invoice received

18. Sherry traders had the following assets and liabilities as at 1st January 2004

SHS

Furniture 350,000
Debtors 45,000
Cash 7,000
Creditors 48,000
During the year the following were realized
i) Additional capital was Sh. 24,000
ii) Drawings were Sh. 20,000
iii) Net profit was Sh. 34,000
Determine the capital as at 31st December 2004 **(4mks)**

19. State four characteristics of money

20. Calculate the gross profit given the margin of 1/6 and the cost of goods sold is Ksh.400,000 **(4mks)**

21. The following information was extracted from the records of Kimani Traders for the month of January 2022. Record in the relevant book of original entry. **(4mrks)**

January 2nd: Bought a motor car on credit from Onyango enterprises worth Ksh. 250,000.

22. Record the following transactions in the respective ledger accounts:

January 1st: Returned goods worth Ksh. 5000 to Mary Mount Wholesalers

January 3rd: Bought goods on credit from Kanze worth Ksh. 6000.

23. Show the effect of each of the following transactions on the capital, liabilities and assets indicating whether it is an increase, a decrease or no effect. **(4mks)**

Transaction	Capital	Assets	Liabilities
a) Converted private land into business land			
b) Paid creditors in cash			
c) Sold goods on credit			
d) Sold a business van valued at Shs.600,000 for Shs.400,000 on credit			

24. Outline four measures that the government may take to attract firms to an area. **(4mks)**

25. Outline four factors that may negatively affect the demand for a product. **(4mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 8

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

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Kenya Certificate of Secondary Education.

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c) *Write your answers in the answer booklet provided.*

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FOR EXAMINERS USE ONLY

	1	2	3	4	5	6
a)						
b)						

TOTAL SCORE

QUESTIONS

1. a) Explain **five** ways in which Kenya may benefits from being a member of the East Africa community. **(10mks)**

b) Describe **five** principles that distinguish cooperatives from other forms of business organizations. **(10mks)**

2. a)Explain **five** services that the central bank of Kenya may offer as a banker to commercial banks **(10mks)**

b) Discuss any **five** reasons why a firm may consider hiring a machine rather than buying.

3. a) Planning is an important aspect of economic development. Explain **five** reasons why a country should carry out development planning. **(10mks)**

b) Explain **five** challenges that may be experienced by a new entrepreneur who is intending to start a business in **Kenya.** **(10mks)**

4. a) Outline **five** circumstances under which a firm would carry out personal selling. **(10mks)**

b) The following transaction took place in Zaodon enterprises in the month of June 2015.

June 1	credit purchases	Bunface 25,00 , Mary 30,000 Angela 40,000
June 4	credit sales	Kopiyo 16,00, Francis 20,000
June6	credit purchase	Margaret 10,000, Mary 35,000,Kadenge 50,000
June8	credit sales	Zachary 60,000, Kopiyo 26,000 and Kidila 45,000
June 13	goods returned by Zaodon enterprises to Bunface 4000, Margaret 1,500 and Kadenge 3,000	
June18	Credit purchase	From Natalia 70,000
June 22	Goods returned at Zaodon enterprises by Kopiyo 1000 and Francis 2,4000	
June 26	Credit sales to Kopiyo 54,000	
June 31	Goods returned to Zaodon enterprises by Kidila 2000 and Kopiyo 4,000	

Required

Record the above transactions in the relevant books of original entry.

5. a)The table below shows the demand and supply schedules for product A in a week

Price (sh)	**Quantity demanded ('000' tones)**	**Quantity supplied('000' tones)**
35	5	80
30	10	65
25	20	55
20	25	40
15	30	35
10	40	20
5	55	5

Using the information given in the table above, draw the price mechanism curves showing the equilibrium of the product**.** **(10mks)**

b) Explain five ways of making face to face communication effective**.** **(10mks)**

6. a) Pemba is an Island within the Indian Ocean. She had registered an improvement in her national income. Explain five factors that may have contributed to this trend**.(10mks)**

b) The following Trial balance was extracted from ISABOKE STORES on 31st Dec 2022

	Dr. Shs.	Cr. Shs.
Capital		250000
Stock	25000	
Machinery	250000	
Motor vehicles	87000	
Purchase	360000	
Sales		600000
Returns inwards	40000	
Return outwards		20000
Discount received		5000

Carriage inwards	2000	
Carriage outwards	3000	
Bad debts (written off)	80000	
General expenses	88000	
Debtors	18000	
Creditors		49000
Rent	1000	
	954000	**954000**

Additional information;-

Closing stock was valued at sh. 22,000

Prepare ISABOKE STORES; Trading, profit and loss accounts for year ending 31/12/2022.

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 9

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

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Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

a) *Write your name and index number in the spaces provided above.*

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c) *Answer ALL the questions in the spaces provided.*

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FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

QUESTIONS

1. State **four** external factors that may positively influence the operations of a business **(4mks)**

2. Outline **four** circumstances under which producers may prefer to sell goods directly to the consumers. **(4mks)**

3. Name four ways through which consumers can be cheated in their dealings with traders **(4mks)**

4. The following information relates to Tamu Traders for the year ended 31st Dec. 2011

	Sh
Fixed Assets	5,000,000
Current Assets	650,000
Net profit	300,000
Current liabilities	650,000
Sales	2,000,000
Closing stock	100,000
Opening stock	200,000
Gross profit margin	20%

Calculate; **(4mks)**

a) Current ratio

b) Gross profit mark up

c) Rate of stock turn over

d) Capital employed.

5. Outline **four** circumstances under which a credit note may be issued. **(4mks)**

6. The equation given below relate to quantity demanded and the quantity supplied at equilibrium price.

Qde = 4P + 50

Qse = 8P + 30

Determine the equilibrium price and quantity **(4mks)**

7. Kendi started a shop dealing in ladies clothing but failed after two years. Outline four factors that many have caused this failure **(4mks)**

8. Name the type of warehouse described below

Statement	Type of warehouse
a) Goods can be stored before payment of custom duties	
b) Individuals can hire storage facilities	
c) Goods are stored from several manufacturers	
d) Specialised goods are stored	

9. State **four** ways in which the nature of goods would influence the choice of transport **(4mks)**

10. Outline any **four** circumstances under which human wants may be fully satisfied **(4mks)**

11. Highlight **four** ways in which business studies is useful to a community **(4mks)**

12. State the books of original entry in which the following documents are used. **(4mks)**

a) Incoming invoice

b) Incoming receipt

c) Outgoing credit note

d) Outgoing invoice

13. State the type of ledger into which the following accounts would be found. **(4mks)**

Account	**Relevant ledger**
a) Capital	……..
b) Mueni (debtor)	……..
c) Kariuki (supplier)	…….
d) Bank	……

14. Outline any **four** advantages of operating in an open office layout. **(4mks)**

15. George operates a petrol station in Nakuru. He insured his stock worth Ksh 2.4 million for ksh 2 million. Later in the year stock worth ksh 600,000 was destroyed by fire. Calculate the amount he was compensated and give a reason. **(4mks)**

16. State **four** characteristics of money **(4mks)**

17. Name the rewards for the following factors of production **(4mks)**

Factor of production	**Reward**
a) Employee	
b) Machine	
c) Minerals	
d) Farmer	

18. Outline **four** challenges that may be experienced by a country whose population is made up of a large proportion of young people **(4mks)**

19. Highlight any **four** characteristics of perfect competition type of market structure **(4mks)**

20. State the line of communication involved in each of the following. **(4mks)**

a) The manager of ABC company Ltd talking to the manager of XYZ company Ltd

b) A secretary asking for time off from her boss

c) The production manager giving instructions to the secretary of the sales manager

d) The store keeper giving explanations to the chief accountant

21. State the effect of each of the following transactions on the balance sheet totals by writing increase or decrease or no effect in each case. **(4mks)**

Transaction	**Effect**
a) Bought machinery on credit	
b) Withdrew cash from the bus for personal use	
c) Purchased stock in cash	
d) Paid outstanding loan by cheque	

22. Outline the assumptions that the circular flow of income in a closed economy work under **(4mks)**

23. The following balances were extracted from the books of Wanji traders for the year ended 30th June 2005. **(4mks)**

	Sh
Debtor	120,000
Creditor	60,000
Machinery	450,000
Cash in hand	70,000
Cash at bank	180,000
5 years bank loan	270,000
Stock	60,000

Prepare a balance sheet of Wanji traders as at 30th June 2005.

24. Outline **four** reasons for maintaining a cash book in a business enterprise. **(4mks)**

25. Highlight **four** factors that should be considered when choosing a method of promoting a product. **(4mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 9

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

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Kenya Certificate of Secondary Education.

INSTRUCTIONS TO CANDIDATES

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2. *Write the date of examination and sign in the spaces provided above.*
3. *This paper consists of **6** questions.*
4. *Answer **any five** questions.*

FOR EXAMINER'S USE ONLY

QUESTION	MAXIMUM SCORE	CANDIDATE'S SCORE
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total score	

QUESTIONS

1. a) Outline any five differences between private limited liability company and public limited liability company. **(10mks)**

b) Describe five accounting documents used in home trade. **(10mks)**

2. a) The table below shows the demand and supply schedules for product A in a week.

Price(sh)	**Quantity demanded ('000' tonnes)**	**Quantity supplied ('000' tonnes)**
35	5	80
30	10	65
25	20	55
20	25	40
15	30	35
10	40	20
5	55	5

Use the information in the table above, draw the demand and supply curve showing the market equilibrium for the produce. **(10mk)**

b) Explain five benefits that a firm may enjoy by preparing a business plan. **(10mks)**

3. a) Traders are required to observe ethical practices when carrying out product promotion. Explain five reasons for observing such ethical practices **(10mks)**

b) Explain five benefits that may be realized by a country as a result of government policy to relocate Industries to rural areas. **(10mks)**

4. a) Outline any five factors to consider while locating a ware house. **(10mks)**

b) On 1st September 2015, Miriam had sh 55,000 in hand and sh. 250,000 in bank. During the month the following transactions took place.

Sep 2: Cash sales banked sh 35,260

Sep 3: Bought ribbons in cash sh 4,500

Sep 8: Paid Wangila, a creditor sh 94,000 by cheque in full settlement of his account after deduction 6% cash discount.

Sep 12: Received a cheque for sh 58,800 from Wetu after allowing her cash discount of sh 1,200

Sep 15: Paid salaries of sh 34,000 in cash

Sep 25: Withdrew sh 50,000 from bank for office use.

Sep 28: Anyango a debtor paid her account of sh 75,000 by cheque less 10% cash discount.

Sept 30: Deposited all the cash into the bank except sh 13,700

Prepare a three column cash book and balance it off. **(10mks)**

5. a) Explain any five uses of National Income Statistics **(10mks)**

b) The following trial balance related to Tai Traders as at 31st December 2022

TAI TRADERS

TRIAL BALANCE

AS AT 31ST DECEMBER 2022

Details	**Dr (Ksh)**	**Cr(Ksh)**
Stock	10,000	
Bank	3,500	
Purchases	15,000	
Sales		28,000
Returns	800	1,100
Rent		580
Insurance	950	
Creditor		450
Carriage in	1,200	
Discounts	300	1,620
	31,750	31,750

Additional information

- Closing stock was valued at Ksh 2,500
- Carriage out was Ksh 1,200

Required: Prepare trading profit and loss account. **(10mks**

6. a) Explain any five reasons why one would prefer to transport goods on road than rail. **(10mks)**

b) On 1st January 2022 Makena started a business with sh 120,000 cash and sh 300,000 in the bank. The following transactions were done in the month of January 2022.

January 3: Bought goods worth sh 60,000 by cheque

January 10: Sold goods worth sh 35,000 cash

January 14: Bought goods worth sh 90,000 cash from Odero

January 18: Paid wages sh 18,000 by cash

January 20: Withdrew sh 40,000 from bank for office use.

Required;

Record the above transactions in the relevant ledger account, balance them off and extract a trial balance. **(10mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 10

565/1

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

NAME……

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Kenya Certificate of Secondary Education.

INSTRUCITONS TO CANDIDATES

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Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25	Total
Marks											

QUESTIONS

1. Outline four elements of demographic environment that may influence the operation of a business.

(4 marks)

2. In the spaces provided below, indicate the type of utility created by each of the following business activities

Business activity	**Type of utility**	**(4marks)**
Selling face masks to customers –		
Transporting onions-		
Storing onions in a granary-		
Making a camera-		

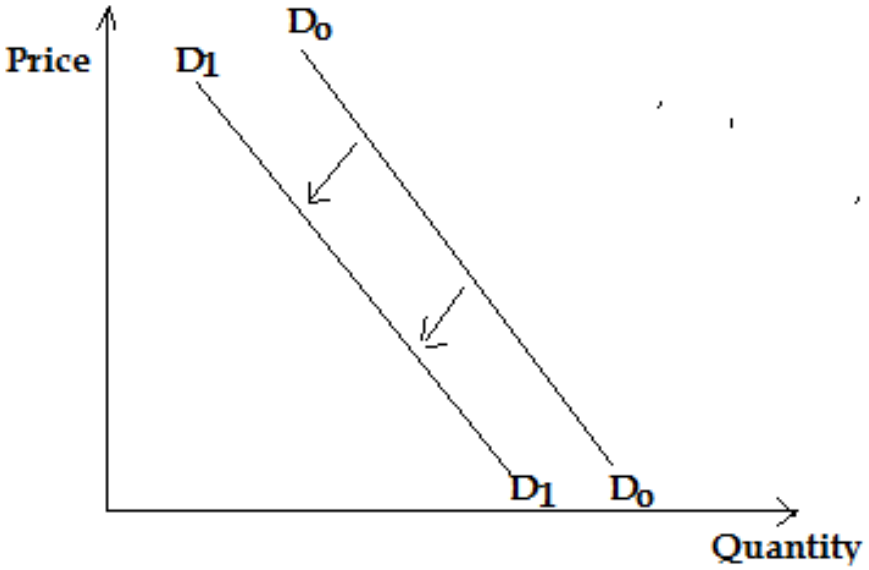
3. Highlight **four** importance of consumer protection**.** **(4 marks)**

4. Highlight four disciplines of business studies. **(4 mks)**

5. State four benefits of "pooling of risks" to insurance company. **(4marks)**

6. State four reasons why the concept of choice is important in economics. **(4mks)**

7. The diagram below shows a shift in demand curve of a commodity from D_oD_o to D_1D1.



Outline four factors that may have contributed to the above shift**.** **(4 mks)**

8. Identify the book of original entry associated with the following sources documents given below. **(4 marks)**

Source documents	Books of original entry
i. Invoice received	
ii. Credit note received	
iii. Receipt issued	
iv. Credit note issued	

9. State the unit of carriage for each of the following modes of transport **4mks)**

Mode of transport	**unit of carriage**
Porterage	_____
Cartage	_____
Sea	_____
Air	_____

10. Highlight four characteristics of money as a means of payment. **(4mks)**

11. State four ways of improving service delivery in parastatals and state corporation**. (4marks)**

12. State four circumstances under which a trader may require less warehousing space **(4mks)**

13. The use of electronic boards is becoming increasingly popular as a mean of product promotion. State **four** advantages derived from their use. **(4 marks)**

14. Outline four contributions of the households to the national income of a country**. (4marks)**

15. Outline four factors that an entrepreneur will consider when determining the most viable business opportunity**. (4 mks)**

16. List **four** factors that may discourage the use of pipeline as a means of transporting petroleum products in a country**. (4 marks)**

17. Open relevant ledger accounts using the following information. **(4 mks)**

1/2/2011 started business with sh. 10,000 in cash and sh. 50,000 at bank.

2/2/2011 Bought goods on credit from LK traders worth sh.5000

4/2/2011 Withdrew sh. 2000 from bank for office use.

18. Outline four circumstances under which deffered payment may be used **(4marks)**

19. The following information relates to Mumbua traders for the year ended 31st April 2015.

	Shs.
Cash at bank	30,000
Cash in hand	40,000
Current liability	500,000
Sales	920,000
Opening stock	150,000
Closing stock	230,000
Margin 25%	
Expenses 15% of sales	

Determine

i) Gross profit **(1mark)**

ii) cost of sales **(1mark)**

iii) Purchase for the year **(1mark)**

iv) Net profit **(1mark)**

20. Identify four benefits of international trade to a country **(4marks)**

21. State four basic features of a market**.** **(4 mks)**

22. State four circumstances under which a business firm may use photocopying as a means of reproducing documents**.** **(4 marks)**

23. A business had the following record for the year ended 31st December 2018 **(4mks)**

	sh.
capital as at 31/12/18	64,000
net profit for the year	14,000
capital as at 1st Jan 2018	42,000
Monthly drawings	1,500

Calculate the additional investments made during the year

24. Highlight **four** circumstances under which the heads of sales department may need to communicate with the head of production department in a business**.** **(4 marks)**

25. Hekima private limited company would like to open up a subsidiary branch in Mombasa. Outline factors it would consider before setting up the manufacturing **unit** **(4mks)**

KCSE CROSS-COUNTRY MOCKS

2023 SERIES 1 TRIAL 10

565/2

BUSINESS STUDIES

PAPER 2

TIME: 2½ HOURS

NAME……

SCHOOL…… **SIGN**……

INDEX NO…… **ADM NO**……

Kenya Certificate of Secondary Education.

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QUESTION	MAXIMUM SCORE	CANDIDATE'S SCORE
1	20	
2	20	
3	20	
4	20	
5	20	
6	20	
	Total score	

QUESTIONS

1. a) Explain 5 money transfer facilities offered by a commercial bank to its customers. **(10mks)**

b) Differentiate between a public limited company and a public corporation **(10mks)**

2. a) Explain 5 ways of correcting balance of payment deficit. **(10marks)**

b) Explain five factors that are likely to lead to high birth rate in Kenya. **(10 marks)**

3. a) By the aid of a diagram, explain excess demand and excess supply **(10mks)**

b) Discuss any five circumstances under which an insured may not be compensated in the event of a loss. **(10mks)**

4. a. Explain **five** services offered by wholesalers to retailers. **(10 marks)**

b. On March 1 2017, Martha had cash in hand sh 87,000 and cash at bank sh 250,000. During the month, the following transaction took place.

March 2: Cash sales sh 60,000

3: Paid salaries sh 101,500 by cheque.

7: Received a cheque sh 76,000 from Henry, after allowing him cash discount of 5 %.

13: Bought office furniture by cheque shs 86,000.

17: Settled Maria's account for shs 34,200 in cash, having deducted shs 800 cash discount.

20: Received a cheque for shs 165,000 in respect of cash sales.

22: Paid wages shs 25,000 in cash.

24: Withdrew shs 32,000 from the bank for office use.

25: Withdrew shs 4,000 cash for personal use.

29: Received shs 17,000 cash from Alvin in settlement of his account less shs 1,000 cash Discount.

31: Deposited all the money into the bank except shs 24,000.

Prepare three column cash book duly balanced**.** **(10 marks)**

5. a) Explain **five** benefits of filing office documents to an organization. **(10 marks)**

b) A trader want to place an order to his suppliers. Explain **five** factors that he should consider before choosing the appropriate means of communication**.** **(10 marks)**

6. a) The following trial balance was prepared from the books of Muranga traders as at 31st Dec 2018

Muranga traders

Trial balance

As at 31st Dec 202

	Dr (shs)	**Cr (shs)**
Sales		900,000
Purchases	500,000	
Returns	60,000	20,000
Carriage inwards	30,000	
Carriage outwards	3,000	
Stock (jan 2018)	100 ,000	
Rent	12,000	60,000
Delivery van	300,000	
Bank	60,000	
Creditors		50,000
Debtors	100 000	
Interest	18,000	
General expenses	7,000	
Capital		178,000
	1,190,000	1,190,000

Stock on 31st Dec 2022 was at sh.130,000 required,

Prepare a trading profit and loss account for the year **ended 31st Dec 2022.** **(10marks)**

b) Explain any five limitations of advertising goods in newspapers **(10marks)**

THE END

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